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RUEAIIA/CIA WASHINGTON DC 0000
RHMCSUU/FBI WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOG/USDOC WASHINGTON DC 0000

UNCLAS STATE 071177

SIPDIS
PRETORIA FOR MADELINE SEIDENSTRICKER

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [SF](#)
SUBJECT: BLUE LANTERN LEVEL 3: POST-SHIPMENT END-USE CHECK
ON LICENSES 050094533 AND 050091122

¶1. This is an Action Request. See paragraphs 2 - 4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a post-shipment check on licenses 050094533 and 050091122 for the export of ammunition to South Africa. Post is requested to complete this Blue Lantern check within 45 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶3. Reason for Request: The end-user, Digital Image Warehouse, has been party to several licenses but has never been subject to a Blue Lantern end-use monitoring check. The same import permit on International Trade Administration Commission of South Africa (ITAC) letterhead was used for both transactions but lacks a signature or seal from the import authorities. This request is to establish the bona fides of the company and these transactions.

¶4. Action Request: Post is requested to verify that the ammunition listed below was received by Digital Image Warehouse (NOTE: These export licenses and import authorizations expired before the company could import all the ammunition listed on the licenses). Post is also requested to establish the bona fides of the end-user by making inquiries to representatives of the company and appropriate GOA authorities. The following points are included for guidance:

(To Digital Image Warehouse)

--When was your company established and who are its principals? What products and services does your company provide?

--How long have you been in the business of importing and selling defense articles? Who are your regular customers and where do they reside? What specific calibers of bullets did you import on these licenses? What is the finished ammunition generally used for in South Africa?

--What are your annual sales of U.S.-origin defense articles?

--Are you familiar with the regulations governing the import of U.S.-origin defense articles, including restrictions on re-transfer or re-export?

(To GOA Export/Import Authorities)

--Is Digital Image Warehouse properly authorized to import and sell defense articles in South Africa?

--Do you have any information on Digital Image Warehouse that would question their reliability as a recipient of U.S.

defense articles?

In its reply, Post is encouraged to comment on any information pertinent to this transaction such as security of facilities, end-use, and concerns about the entities involved.

15. Details of license applications:

1A.

DTC Case: 050094533

QUANTITY/COMMODITY:

251,000 Bullets, Calibers .177 to .474

118,500 Brass Casings, Calibers .177 to .474

License Value: USD \$199,595 (NOTE: License was not exhausted before expiration. Actual exports are valued at approx. \$29,000)

SELLER:

Midway Arms Inc
5875 W Van Horn Tavern Road
Columbia, MO 65203

FOREIGN END-USER:

Digital Image Warehouse
Mill Street
Stellenbosch
South Africa
Tel: 021 8873364
Email: ters3@mweb.co.za

Postal Address:

PO Box 24
Kuilsrivier, 7579

PURPOSE:

For commercial resale in South Africa

1B.

DTC Case: 050091122

QUANTITY/COMMODITY:

300,000 Nosler Bullets, Calibers .204 to .505

100,000 Nosler Brass Cases, Calibers .204 to .505

License Value: USD \$210,000 (NOTE: License was not exhausted before expiration. Actual exports are valued at approx. \$43,000)

SELLER:

Caliber Inc
89 Broad Street
Middletown, CT 06457

FOREIGN END-USER:

Digital Image Warehouse
Mill Street
Stellenbosch
South Africa
Tel: 021 8873364
Email: ters3@mweb.co.za

Postal Address:

PO Box 24

Kuilsrivier, 7579

PURPOSE:

For commercial resale in South Africa

¶6. Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

¶A.

Purchase Order issued by Digital Image Warehouse signed by Tertius Roux dated 20 Feb 2008

Import Permit No. IMP2008/01889 issued by the International Trade Administration Commission of South Africa (unsigned) dated 14 Feb 2008

¶B.

Signed DSP-83 Nontransfer and Use Certificate signed by Phyllis Sheridan (Caliber) dated 26 Feb 2008 and Tertius le Roux (Digital Image) dated 25 Feb 2008.

Purchase Order issued by Digital Image Warehouse signed by Tertius Roux dated 25 Feb 2008

Import Permit No. IMP2008/01889 issued by the International Trade Administration Commission of South Africa (unsigned) dated 14 Feb 2008

¶7. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: http://www.intelink.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program

¶8. Department is grateful for Post's assistance in this matter.
CLINTON